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An Analysis and Review of Hamilton's Housing Emergency Loan Program

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1.0 INTRODUCTION

This report represents the findings of the Social Planning and Research Council's Study of Needs for the Housing Emergency Loan Program (HELP). HELP approached the Social Planning and Research Council in March 2001 with two objectives for the research: 1) describing the need in the community for an emergency loan program, and 2) how HELP could best meet those community needs.

The Need for a Housing Emergency Loan Program in the New City of Hamilton – an Interim Report (SPRC, 2001) identified and described the community need for an emergency loan program. Among the findings of that report were:

- a 53% increase in the numbers accessing emergency shelters from 1999 to 2000
- 42% of those accessing food-banks are children
- 23% of Hamilton tenants spent more than 50% of their income on rent in 1995 - putting them at risk of homelessness. This number increased from 16% in 1990.
- The shelter portion of Ontario Works is inadequate: for a single person the allowance is $325, while average rents for a bachelor apartment in the Hamilton Census Metropolitan Area was $460. For families with children, the shelter allowance does not meet average rent requirements for one, two, or three bedroom apartments.
- As of November 2000, the vacancy rate for the Hamilton CMA had fallen to 1.7% (3% is considered a healthy vacancy rate).
- The Tenant Protection Act has created new burdens on the tenant to participate in the eviction process, and is leading to more and faster evictions. The local Early Intervention project reports between 60 and 80 applications to evict are made per week, largely for the non-payment of rent.
- The Coordinated Housing Access Network waiting list for rent-geared-to-income housing currently sits at approximately 3500 applicants. The Housing Help Centre indicated they had a record high 19,994 contacts in 1999.

The full report is attached as Appendix A.

The present report addresses the second objective of HELP and investigates how HELP can best respond to this large and rising community need. To accomplish this objective, this report used the following methods:

- **A Literature Review of Ontario Rent Banks**: Information was reviewed from rent banks from the following cities: Toronto, Ottawa, Woodstock, Belleville/Durham, and Brantford. A portion of the information was provided by the Centre for Research and Education in Human Services (CREHS), who had accumulated the information as a part of their recent feasibility study in Waterloo.

- **Key Informant Interviews with Past Loan Recipients:** There were 3 past recipients of emergency loans interviewed for this study. The key informants were identified by the Steering Committee and staff and included one person who had completely paid off the loan, one person who had made some payments on the loan and stopped, and one person who was making regular payments. All three interviewees were women, one single woman, a single mother with two children, and a married woman with two children. Two of the interviews were conducted by phone, and one was conducted in person. The questions for the interview are attached in the Appendix.

- **Focus Groups with the Steering Committee and Loan Review Panel:** There were two focus groups conducted in this study. One focus group was comprised of 7 members of the Steering Committee and focused on organizational issues. The second focus group involved 6 members of the loan review panels and the staff person and centred on issues pertinent to the loan decision process. The questions were developed in consultation with the chair of the Steering Committee and are attached in the appendix.

- **Data Analysis of Loan Information:** The data for this analysis was provided from the Housing Emergency Loan Program, and was drawn from 97 client intake and application forms from December 2000 to August 2001. There are some limitations to this data. The intake and application forms have undergone changes over the time that HELP has been giving out loans. Therefore, the information gathered has varied and gaps exist within the data. Also, while data for the initial opening of HELP (Dec 1999 - March 2000) existed, it was not in a usable or accessible format. Finally, some of the statistics included all applicants rather than focusing on people who were granted loans. This makes drawing conclusions about who HELP is providing service to difficult.

The report begins with a brief overview of Ontario Rent Banks. It then describes the Housing Emergency Loan Program in Hamilton and the current issues it faces in meeting the community's needs as revealed in individual interviews, focus groups, and a data analysis. The report concludes by drawing together the findings of the research and making recommendations about how HELP might best meet the needs of the community.

2.0 OVERVIEW OF ONTARIO RENT BANKS

While rent banks have been in existence over twelve years in the United States[ii], their presence in Canada is considerably more recent. As a result of the Mayor's Task Force on Homelessness in 1998, the City of Toronto and several community agencies established the first rent bank pilot program in 1998. Early evaluations of the Toronto Rent Bank (LaPointe & Welch, 1999) indicated that, as was the case with US Rent Bank models, there were three major goals achieved: keeping clients housed, being cost-effective, and stabilizing the supply of low-income housing.

Keeping Clients Housed: The Toronto evaluation found that, in the first 13 months of operation, Rent Bank loans enabled 87% of the 213 Rent Bank clients to avoid eviction, while 7% were able to move into more affordable or more suitable housing in a controlled, non-crisis manner (LaPointe, 2001).

Being Cost Effective: The Toronto evaluation performed a cost/benefit analysis which showed that the savings to the City of Toronto ranged from $65,000 to $389,000 annually. (This analysis was based on the assumption that 25% to 50% of clients would have ended up using a City-funded shelter[iii]). The analysis did not include "intangibles such as the long-term benefits to children who remain their schools and in stable housing environments and to their parents who can continue to live in affordable housing and experience reduced levels of stress" (Lapointe, 2001: iii).

Stabilizing the Supply of Long Term Housing: Laplante et al. (1999:2) point out that "by preventing eviction, the supply of low-income housing is stabilized, that is, the rent is not raised after the client leaves" (Laplante et al, 1999: 2)

The success of the Toronto rent bank, coupled with the declining vacancy rates and skyrocketing rents of the late 1990's, has led to an explosion of rent banks across Ontario. In addition to Toronto (which is now comprised of six different rent bank "branches") there are presently rent bank programs in Belleville, Brantford, Durham, Hamilton, Muskoka, Orangeville, Ottawa, and Woodstock. The community of Kitchener-Waterloo has recently completed a feasibility study for a rent bank, and will be establishing a program over the next several months[iv].

The following section gives details from five Ontario Rent Banks. The information, when available, includes: sponsoring organization, purpose, eligibility criteria, services offered, repayment information, statistical highlights, and any other interesting details.

2.1 Ontario Rent Banks - Program Highlights

2.1.1 Toronto:

Sponsoring Organization:

- Funding: City of Toronto
- Operations: Neighborhood Information Post (Lead Agency); 6 Branches - COSTI/North York Centre; Etobicoke Housing Help Centre (North and South Offices); East York Housing Outreach; Scarborough Housing Help Centre; Woodgreen Community Centre; York Community Services.

Objective Criteria:

- Families with dependent children
- Formal eviction received
- Living in the private rental market
- Not receiving or eligible for social assistance (handled through CSUB or Shelter Fund)
- Not paying too high a proportion of income on housing (usually 70%)

Subjective Criteria (up to intake worker):

- Tenancy must be sustainable
- Intervention will prevent eviction

Services:

- Landlord/tenant mediation
- Assistance obtaining Community Start-Up Benefit and the City's Housing Fund for arrears for social assistance recipients or those eligible for such funds
- Advocacy with government agencies
- Counselling and advice
- Information on the Tenant Protection Act
- Referrals to appropriate agencies
- Assistance in finding alternative rental housing
- Access to City of Toronto's Rent Bank Loans

Statistical Highlights (Dec 1999 - Jan 2001):

- Total loans: $290,745. Average loan: $1365 (213 loans).
- Independent evaluation found loans prevented eviction in 87% of cases.
- Repayment: 18% of original $200,000 had been repaid after 1 year.
- Rent to Income Ratio of Successful Loan Applicants: 78% were between 30% and 60% Rent to Income

Interesting Details:

⇒ Steering Committee of community stakeholders sets policy for rent bank

⇒ City of Toronto Shelter Fund offers a grant program available for emergency shelter needs for those on OW/ODSP, making these people ineligible for loans.

2.1.2 Ottawa: HOMESAFE Program

Sponsoring Organization: Salvation Army
Purpose: To keep families in appropriate housing through early intervention and crisis intervention.

Criteria:
- Families with children
- Facing eviction
- able to repay loan
- shelter costs are affordable
- less than 2 months rent arrears
- less than 3 months utility arrears
- first use of HOMESAFE
- exhausted all other options

Services:
- financial help for rent and utilities
- advocate and negotiate with landlords and utilities
- provide information on rights and obligations
- provide referrals to other agencies

Repayment: April 1999 - November 1999: $31, 253 loaned to 49 families, as of 2 November 1999, $1621 was received.

Interesting details:
⇒ Steering Committee of community stakeholders oversees loan process
⇒ As of April 2001, due to the low vacancy rates in Ottawa, the affordability criterion has been temporarily suspended.

2.1.3 Woodstock

Sponsoring Organization: Salvation Army
Purpose: to pay for last month's rent deposit following an eviction

Criteria:
- Letter of approval from new housing
- Proof that 1st month's rent has been paid
- Personal Identification
- Proof of income
- Not eligible for Community Start Up Benefit

Repayment: Of 64 total loans, 23 have been repaid in full. Thirteen have gone to collection agencies of which 2 were paid in full. Of the 30 active loans, an average of 15 are paying back regularly or irregularly. Of the $19,000 currently out in loans, $5,724 has been repaid (30%).

Interesting details:
⇒ Will involve collection agency with loan defaults. Policy states: "If the account is in arrears and no effort is being made to repay the loan, the client will be notified by mail that the account is being filed for collection through the Credit Bureau or Small Claims Court - garnishment of wages".

⇒ Staff report some success with new procedure having a "co-signer" for the loan - usually family or friend.

2.1.4 Brantford

Sponsoring Organizations: **Canadian Mental Health Organization & Family Credit Counselling**

Purpose: Preventing homelessness by assisting individuals and families in Brant County who are in imminent danger of losing their housing due to shelter arrears.

Criteria:

- Renter
- not more than 2 months in arrears
- rent must be sustainable
- demonstrate ability to repay
- (NEW) not on OW/ODSP (this is handled through CSUB)

Services:

- Providing repayable loan
- Budget counselling
- referrals to appropriate services
- mediation
- assistance in locating or maintaining affordable housing

Statistical Highlights (Dec 1999-Dec 2000):

- Total Payout: $73,314. Average = $814 (90 loans).
- Repayment received: $7514.43 (10%)
- 47% applications approved for loans, 16% successfully mediated with landlord
- Source of Income (Successful loans): 47% Employment, 24% OW, 14% EI
- 61% of successful applications had rent:income ratio between 30%-50%

Interesting Details:

⇒ Recently able to negotiate an expanded use of Community Start Up Benefit (CSUB) for people on OW/ODSP

2.1.5 Durham Rent Arrears Bank (RAB) /Belleville Community Trust Fund (CTF)

Sponsoring Organization: **Housing Help Durham (staffing), Social Development Council of Ajax - Pickering (administer funds).**

Purpose: 1) Rent Arrears Bank: to grant interest free loans for eligible applicants for up to 2 months rent arrears

2) Community Trust Fund: to grant interest free loans for eligible applicants for utility bills, car repairs (for work purposes), appliance repairs, or house repairs

Note: While the Rent Arrears Bank and Community Trust Fund operate closely, they are different organizations.

Eligibility (Rent Arrears Bank):

- be working or receiving government funding
- be a member of a single/double parent family OR a senior citizen (60+) couple
- have a low or middle income bracket
- have a specific reason why couldn't pay the rent
- have an eviction notice
- be willing to enter a trusteeship

Ineligible:

- People on OSAP
- People in subsidized housing

Interesting details:

⇒ A Citizen Advisory Committee makes recommendations on application approvals and terms of repayment

⇒ Ontario Works will deduct loan payments from cheque and pay Rent Arrears Bank directly

⇒ Loans can be forgiven in cases where need is high and repayment is extremely unlikely, but applicants are not told this.

2.2 Analysis of Ontario Rent Banks

As a part of the Kitchener-Waterloo feasibility study, the Centre for Research and Education in Human Services (CREHS) reviewed literature from the above-mentioned Ontario rent banks. As the study was concluded in June 2001, it represents a recent analysis of the different paths rent banks can take[v]. They suggest that there are 11 different areas where rent banks can differ (possibilities are bulleted):

Table 1: Analysis of Rent Bank Differences

Question	Possibilities
1. What is the purpose of the fund?	▪ Eviction prevention ▪ First and last month's rent ▪ Improving housing conditions
2. What type of fund?	▪ Grants ▪ Loans ▪ A mixture of grants and loans
3. For what does the money pay?	▪ Rent arrears ▪ First and last month's rent ▪ Moving costs ▪ Utility arrears ▪ Housing improvements
4. What type of activities are offered?	▪ Payment only ▪ Credit counselling ▪ Referral ▪ Mediation with a landlord ▪ Systemic advocacy
5. Who provides the funding?	▪ Government ▪ Private Sector ▪ Fundraising
6. What are the eligibility criteria?	▪ Objective vs. Subjective ▪ Income Level ▪ Family composition ▪ Frequency of application ▪ Sustainable shelter costs ▪ Depth of crisis ▪ Ability to repay

7. How is eligibility assessed?	▪ Self-assessment (no interview) ▪ Supply documentation ▪ Staff investigation
8. How does the money flow to the creditor?	▪ One time payment to the landlord ▪ Negotiate payment plan ▪ Trusteeships ▪ Collection agency involvement
9. How is the rent bank governed?	▪ Program of community organization ▪ Program of faith-based group ▪ Government programs ▪ Shared program ▪ Independent organization
10. What is the role of community partners and rent bank clients?	▪ Board of directors ▪ Funder and advocate ▪ Referrals
11. What is the role of creditors?	▪ Source of referrals ▪ Steering committee representation

The following additional observations can be made after reviewing the literature:

Rent banks are not financially sustainable. The Centre for Research and Education (2001) cites repayment rates between 5 and 20%. Even the Brantford Rent Bank Program, where credit counselling is a central aspect of the program, had a June 2001 repayment rate of 22%, and finds their rates consistently around 20%[vi]. Woodstock's program, where defaulting clients are turned over to collection agencies, has a repayment rate of 30%. One of the problems with repayment rates is disagreement about what constitutes the repayment rate. Some rent banks use the term to refer to the percentage of clients who are making regular payments on their loans (Laplante et al, 1999:28), while others use the total amount of money that has been repaid divided by the total amount given out in loans (LaPointe, 2001). With both measurements, rent banks require on-going funding.

Rent banks, in general, exist within other organizations. Several have Steering Committees to advise on the loan process and policy issues. Most rent banks partner with community or faith-based organizations. In Toronto and Niagara, rent bank programs are part of housing help centres. In Ottawa and Woodstock, the Salvation Army is the lead agency. The Brantford program is a shared venture by the Canadian Mental Health Association and the Family Credit Counselling Centre. Toronto and Durham both have Steering Committees to advise on policy.

Rent banks, in general, do not do advocacy. CREHS (2001) suggest this may be due to fear of placing government funding in jeopardy. Brantford is an exception, and they report success with getting Ontario Works and Ontario Disability Support Programme to help potential clients obtain an expanded CSUB benefit.

Rent banks, in general, do not give loans to people when their percentage of income paid to rent is greater than 70%. There is commonly an eligibility requirement stating that the current housing situation must be sustainable. In fact, a large proportion of successful applications pay between 30% and 60% of their income to rent (LaPointe et al, 2001; CREHS, 2001).

Finally, and perhaps most importantly, *rent banks are relatively new, and there are no "best practices" that describe how they should be administered and delivered.* Therefore, the generalities listed above do not represent *better* ways of delivering the services; rather, they describe the most common. Only through evaluations that include long term client follow-up, will we be able to judge the success of rent banks at preventing evictions, the cost-effectiveness of programs, and the contribution rent banks make to stabilizing low-income rents.

3.0 THE HAMILTON HOUSING EMERGENCY LOAN PROGRAM

3.1 History

The Housing Emergency Loan Program began in February 1999 when several community partners formed a working group to plan a revolving loan fund as one strategy for averting homelessness. The working group involved faith-based organizations, community-based organizations, and area committee representation. Following a planning period, and $42,000 in initial funding from the Unitarian Church and the City of Hamilton, the program officially began accepting applications for loans in December 1999. Over the next six months and with continued fundraising efforts, over 200 applications were received, and 93 loans were given out with a total value of $45,984.04 (average value = $494).

The demand was greater than the available resources, and by May of 2000, HELP's funds were exhausted. HELP had to cease offering loans and expand its efforts in fundraising. Following a period of community fundraising events and applications to government funding sources, the loan fund re-opened in December of 2000 and has been giving loans on a consistent basis from that time through the present.

Table 2: Sources of HELP's funding

- Unitarian Universalist Association - Social Responsibility Fund
- City of Hamilton
- Arriscraft International
- Centenary United Church
- Hamilton Community Foundation
- St Thomas More Secondary School
- Private Donors
- Provincial Homelessness Initiative Fund
- Supporting Community Partnerships Initiative (federal government)

3.2 The Organization

HELP is governed by a Steering Committee, comprised of faith-based organizations, community organizations and area committee representation. Current partners include: First Unitarian Church, Downtown Ecumenical Committee, Social Planning and Research Council, McQueston Legal Services, Dundurn Legal Services, Housing Help Centre, and the Solutions for Housing Action Committee. The Steering Committee holds monthly meetings and is responsible for all decisions related to the organization. Because HELP is not an incorporated organization, all funds are administered through the Housing Help Centre. If HELP receives donations from the public, charitable tax receipts are issued through the United Way.

While HELP has been led by volunteers, the community organizations listed above have contributed substantially to its present success. Professionals from these organizations serve on the Steering Committee and have lent their expertise and resources to fundraising (and the related reporting requirements), legal advice, planning, and evaluation.

There is one full time staff person employed by HELP. This person's job to respond to inquiries from potential loan applicants, guide applicants through the application process, and follow through with recommendations from the loan review panel. There are other duties such as record-keeping and administrative duties the staff person is also responsible for.

3.3 The Loan Process

Chart 1 (following page) demonstrates the loan process from the client's point of view.

People can be referred to HELP by community organizations (e.g. the Housing Help Centre, legal clinics, SISO), landlords (e.g. Victoria Park Community Homes property manager), government services (e.g. Ontario Works, ODSP), or self-referral. HELP sends out information to community organizations periodically to remind and/or update them about HELP's services.

Interested persons then contact the HELP office by phone or in person. The staff person mails out a package of information about the program and sets up an interview time. At the interview, the formal application is filled out with the help of the staff person.

For people applying for a loan, staff occasionally is able to mediate an arrangement with the landlord and applicant, which avoids a loan altogether. Most often, however, the loan application goes to the loan review panel.

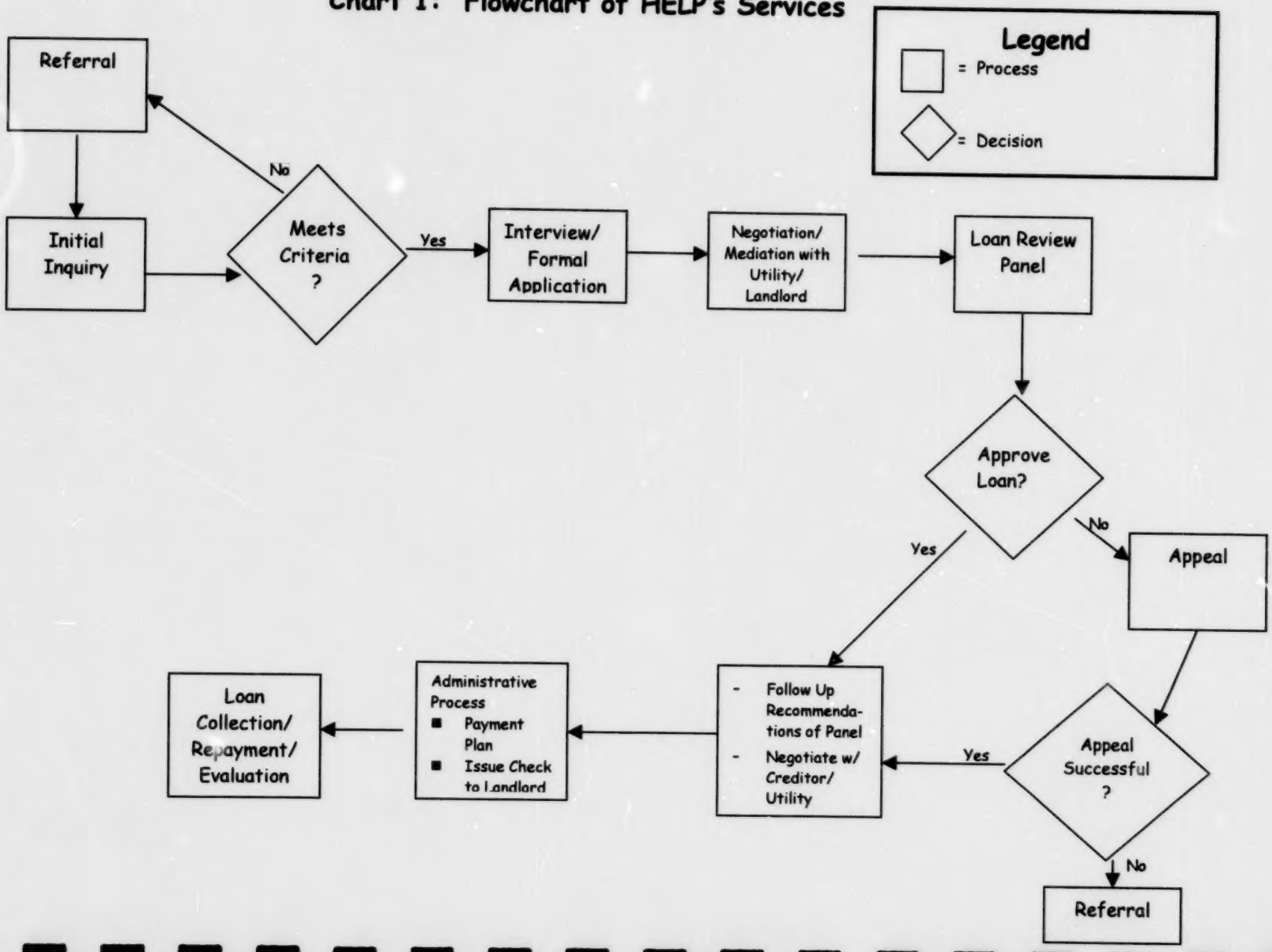
The loan review panel is comprised of three volunteers who review the application with regard to the following eligibility criteria:

- The rent of the proposed housing unit must be sustainable i.e. within the range of what the tenant can afford on his or her present income
- The tenant intends to stay in the unit for at least a year.
- The tenant must demonstrate that the financial crisis is temporary, not chronic, and that the problem can be addressed through one time assistance.
- The loan amount is not to exceed one month's rent
- There is a reasonable expectation that the loan will be repaid within one year.

People who are eligible for loans are individuals, couples, and families who a) live in Hamilton-Wentworth; b) have an income below the poverty line – income source may be paid employment, pension, other social benefits. There are no age or citizenship restrictions.

Successful loan applications are then referred back to staff to complete the process by issuing the cheque (usually payable to the landlord). A repayment plan and schedule (ideally, monthly payments for one year) is established. Unsuccessful loan applications can be appealed to an arbiter. The arbiter also makes decisions in cases where the loan review panel is unable to come to an agreement.

Chart 1: Flowchart of HELP's Services

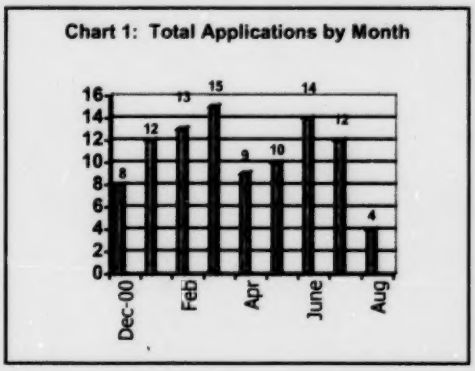


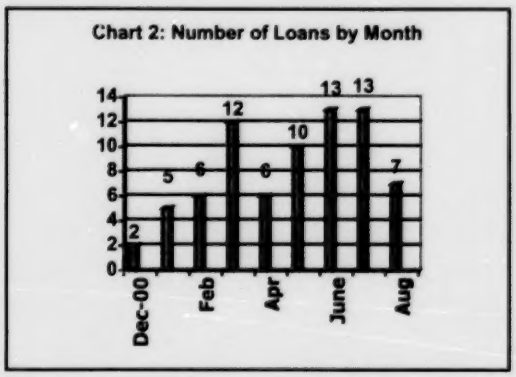
3.4 The Current Context

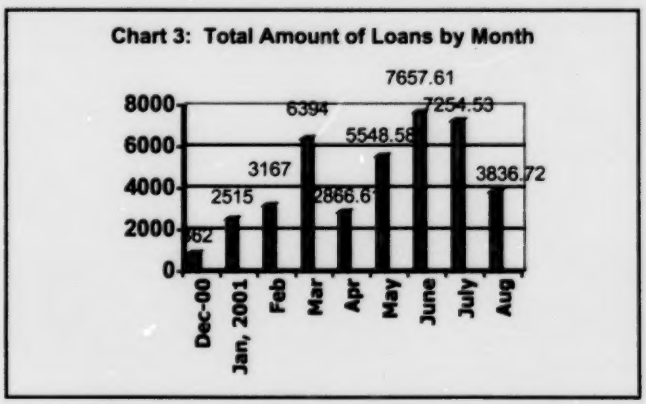
As the *Need for a Housing Emergency Loan Program in the New City of Hamilton* identified, the community's need for HELP is rising. As awareness of the service grows, additional demands are made on the organization: more inquiries, more administrative work, more applications to process, more evaluation needs.

There has also been a drastic increase in the resources available to fund HELP: a recent grant from SCPI totaling $120,000 has tripled the budget from only two years ago. The group intends to apply for another grant of $120,000 from SCPI next year. (SCPI funding ends in March 2003). While this grant does give the program financial security, it effectively doubles the number of loans that can be granted, thereby increasing the staffing and volunteer needs of the program.

Charts 1,2, and 3 depict the monthly loans for the period Dec 2000 - Aug 2001.







There is a drop-off of in both number of loans and amount of loans in April 2001. This drop is due to the office being closed while a new staff person was receiving an orientation.

August 2001 data represented only the first half of the month. The possibility exists for more loans issued in a particular month than there were applications. This happens when several applications from the previous month are incomplete, and are held over to the next month for consideration.

Other current issues facing the organization are that the co-chairs of the Steering Committee and several key volunteers have announced their intention to step down by December 2001. While community organizations remain strong in their commitment to HELP, these resignations are creating a leadership void for the organization. As well, HELP is currently deciding whether to pursue incorporation (remain independent) or formally partner with a community or faith-based organization.

In order to clarify and elaborate on these issues, the next section reports the results of the individual interviews, focus groups, and data analysis.

4.0 RESULTS

4.1 Individual Interviews

There were 3 past recipients of emergency loans interviewed for this study. The key informants were identified by the Steering Committee and staff and included one person who had completely paid off the loan, one person who had made some payments on the loan and stopped payments, and one person who was making regular payments. All three interviewees were women: one single woman, a single mother with two children, and a married woman with two children. Two of the interviews were conducted by phone, and one was conducted in person. Note: the time period interviewees had accessed HELP services varied. Thus, a person who accessed the program when it first began in December 1999 would have encountered different staff and procedures than a person who accesses the program currently.

Their Stories

One woman had moved into what she thought was an "ideal" apartment, only to find that her fire escape was being used all night to get to the floor above her where drugs were being used and sold. "People would stand in the street and yell up to the 3rd floor at all hours of the night", she said. Her full-time volunteer job was suffering and she decided she had to move. Unfortunately she had already used most of her Community Start Up benefit, and she lost her last month's rent deposit because she didn't give 60 days notice (she gave 30) to the landlord. Her source of income was ODSP, and there was no extra money with which to move or pay a last month's rent deposit. She approached HELP to help pay for the move and last month's rent deposit. She is currently paying off her loan.

One woman was living in market housing and had fallen behind in utilities. She and her two children were on the waiting list for subsidized housing, but were unable to qualify while there were utility arrears on their current apartment. She approached ODSP to help her but "they made me feel like a criminal". She approached HELP to pay for the utility arrears so she could find a subsidized unit. When her mother was diagnosed with terminal cancer several months later, she found herself travelling back and forth to Toronto. At the same time, her utility rates nearly tripled, leaving her unable to pay the utility bills again. During these crises, she stopped making payments on her emergency loan. She has since gone back to university with the help of OSAP and anticipates paying off the loan next month.

Another woman was living in a market apartment in a non-profit complex paying $850/month in rent. When her husband was laid off, they were unable to make the rent payments. The waiting list for a subsidized unit was 1-2 years. She was able to negotiate an agreement with the housing provider to reduce the rent until her husband found a job. She then approached HELP to pay for the arrears. Her husband is now on Ontario Works, and they have paid off the loan.

What they told us about HELP:
All three interviewees strongly asserted that HELP had helped them, and were glad they had used the service. All three women were still in the homes they used the HELP loans for, and intended to remain there. All were satisfied with their current housing arrangements, although one woman reported she might be interested in finding another townhouse with more room. They all shared their knowledge of HELP with friends and family - who were surprised such a service existed and greatly relieved by the results.

Their experience with HELP varied. While all three women were approved for loans, one woman reported waiting two months for the approval of her loan, while another reported receiving a cheque the first week she came into the office, three days after she had contacted HELP. Two of the women reported being very happy with the staff, one woman said she was looking for "more professionalism" - she also reported that she had had to resubmit her post-dated cheques because the staff had misplaced them.

All three women reported being interested in volunteering with HELP, if they were available. In fact, one woman had called and offered to volunteer, but her call had not been returned.

What they told us about their emergency loan:
All three women agreed that people should be expected to pay back the entirety of the loans, noting that it gives people a sense of accomplishment. At the same time, two of the women described the difficulty of having to repay the loans on a fixed income: "they should be able to [pay back the loan], if they're on the same income I am [ODSP]. It does take a lot of budgeting. Once you pay rent, utilities, and food, it's gone. But with help like where I volunteer, we give out free clothing. As long as you're not too proud to go to these places, there's enough help for everyone." Another woman also on ODSP, who had moved into a new apartment, was having difficulty because of the connection charges with utilities that were billed in the second month. "At the beginning of the month, with those connection charges I'm broke completely and its only the 10th of the month. If somehow they [HELP] could skip the second month, it would lessen the load a lot."

How they thought HELP might be improved:
Two of the interviewees did not feel that HELP should offer any additional services such as credit counselling or trusteeship. One woman did state that "as long as there were no strings attached", credit counselling would be helpful. She also said that the trusteeship programs are currently offered in men's shelters, and are degrading. She said that any trusteeship program should take care not to humiliate its clients.

The interviewees were asked for suggestions as to how HELP's services may be improved, and gave the following responses:

- flexibility with repayment schedule
- opening a "branch office" on the mountain
- having a "cab account" - where HELP would offer to pay the cab fare to and from the office, instead of offering bus tickets.
- a "sweat equity" program - whereby loan could be paid by working as a volunteer.

4.2 Focus Groups

4.2.1 Steering Committee

The focus group participants began the session by identifying major issues that HELP is currently facing. Key issues were: funding; governance; volunteers; staffing; the loan panel process; the relationship with OW/ODSP; outreach; evaluation; and advocacy.

Funding: Participants agreed that HELP's funding formula had changed drastically over the last year. Where HELP had relied heavily on private fundraising efforts initially, it has experienced much success with government grants. The grants do give stability, but are time-limited, which led to questions about the sustainability of the organization if it only relies on government grants. Additionally, if HELP is to be sustainable in the long term, repayment of loans is crucial – but current payback rates are only 50%. Participants agreed that community fundraising remained important for a number of reasons. People felt that community fundraising not only generates income, but also raises awareness about HELP and homelessness issues. It contributes to improving community relations. Some participants pointed out fundraising would be especially important if HELP decided to become an independent organization.

Governance: Another major issue identified was governance: whether HELP should remain an independent, volunteer-driven organization and pursue incorporation or should formally partner with a community organization. Participants identified a number of advantages as well as disadvantages to partnering with other organizations. Potential benefits that partnering with another agency offered were decreased administration time, an increased profile in the community, and an increased involvement of volunteers. The administrative demands placed on members of the Steering Committee were seen as constraining the amount of time that could be spent on expanding or improving HELP's services. Partnering with another organization was seen as a way to reduce the burden on volunteers, which might result in less burn-out and longer commitments. Some participants felt that partnering with another organization would reduce HELP's independence and freedom to make its own choices. Independence (and incorporation) also offered tax benefits, and protection for the committee/panel members (i.e. Director's Liability Insurance). One participant pointed out that staying independent created challenges in terms of bringing new volunteers on board and keeping the organization "vital". Another participant raised the question of whether clients would be better served by an independent organization or through a partnership.

Volunteers: An important related issue identified was volunteer leadership of the Steering Committee as one of the co-chairs has officially stepped down, and the other co-chair intends to step down in December of this year. Additionally, several key volunteers have announced their intention to resign from the committee. While these two issues (governance and leadership) do not necessarily need to be connected, some focus group participants thought that by formally partnering with another organization, the pressure to

recruit volunteers would be lessened. In any case, Steering Committee volunteer recruitment is a high priority.

Participants also identified the need for a comprehensive volunteer strategy including recruitment, retention, recognition, and appreciation. Another participant pointed out that if HELP continues to be volunteer-driven (as opposed to staff driven models - see below), specific strategies needed to be in place to support volunteers and prevent burn-out. Another suggestion was to include past clients in the volunteer strategy. It was suggested that if past clients of HELP would be more involved in the process, it would work to break down some of the barriers between the organization and its clients.

Staffing: Participants pointed out that HELP has seen a high turn-over of staff during its existence, and employee relations need improvement. There was a suggestion that the staff person could be more visible in the community by taking part in area committees. Regarding staff and the loan panels, people expressed that there needed to be clearer guidelines around staff input to the loan review panels. One person suggested the staff person could make a recommendation about an application before it came to the panels. There were concerns by some participants that while the number of staff and volunteers make the current loan process feasible, an increase in the number of loans would mean more volunteers would have to be recruited and managed. As the number of panels and volunteers increases, the more staff time will be required to organize and support them.

Loan Panel Process: The discussion of the loan application process centred on the loan review panels (currently 3 volunteers) and the responsibilities of the staff. It was pointed out that all of the other rent banks in Ontario use staff to make decisions about granting loans. Most participants felt that having one person responsible for making the decision put undue pressure on that person. Most participants also felt that the loan review panels were a useful tool in the loan process, as well as a unique model that could be used by other rent banks. Several members of the focus group felt that by trying to separate the person from the application (to pursue "objectivity"), the applicant was not fairly or completely represented.

Relationship with Ontario Works and Ontario Disability Support Programme: While participants agreed the relationship with Ontario Works and ODSP workers had seen some improvement recently, there was still considerable room for progress. Some people thought the most effective way to accomplish this would be to work with senior government officials, and hope that information filtered down to the front-line workers. Another suggestion was to use HELP's information and client experiences to lobby the government to change shelter allowances (OW & ODSP), thereby reducing the need for HELP from people receiving OW/ODSP benefits.

Outreach: There was strong consensus that HELP should work with community organizations such as Settlement and Integration Services Organization to do outreach with new immigrants and other vulnerable groups, and should consider translation services. Participants generally agreed that SISO should be a member of the Steering Committee to

give ongoing feedback about reaching marginalized groups. It was also suggested that HELP should consider opening another office that could serve people who were geographically more isolated from the services (e.g. the mountain). Some participants felt that before an additional office was opened there should be a needs assessment done to determine the need for such a service in the outlying areas.

Evaluation: Another current issue facing HELP is the need to know if the agency was helping those the most in need. This issue arose from the concern that if one of the criteria is ability to repay the loan, the applicants who are unable to repay the loan (because of deep poverty) do not qualify for help. Participants also wanted better follow up information with clients, as well as a consistent approach to dealing with clients who do not pay on the loan.

Advocacy: The final issue identified by participants was to revisit HELP's commitment to making sure long-term sustainable solutions to homelessness are found. One suggestion was that HELP could offer its information to other area groups that were more focused on lobbying and advocacy, and leave the lobbying efforts to those groups.

Summary of Key Themes:

- HELP has undergone a change in type of funding from primarily community fundraising to primarily government sources. There was consensus that a mix of the two types of funding would be beneficial.
- The form of governance is a pressing issue for HELP. There were advantages and disadvantages discussed for both remaining independent and entering a formal partnership with another agency.
- HELP is in need of volunteers for both leadership of the Steering Committee (key volunteers resigning) and for the loan review panels (increased numbers of loans).
- Clear expectations need to be provided for staff both in terms of employee relations, community involvement, and involvement with the loan review panels.
- Ontario Works and ODSP are important players in this process and need to be more involved either through partnerships or lobbying efforts.
- Outreach to vulnerable groups should include asking SISO to be a member of the Steering Committee, and the consideration of opening another office.
- Evaluation is important to know if HELP is actually assisting people.
- HELP is committed to advocating for long-term solutions to housing and homelessness.

4.2.2 Loan Review Panel

Results from the focus group for loan review panel members were grouped into three particular themes: who is eligible for loans, the loan review process, and suggestions for improvements.

Eligibility for Loans: Most people thought that HELP was very helpful for the people who received loans; however, they recognized there were many people who did not qualify for HELP's services who were in great need. There was general agreement that HELP should work on ways to help those who are not being served currently. One person raised a concern that giving loans may further impoverish clients by adding monthly repayments to people who are already having trouble making ends meet.

Participants identified several groups of people that emergency loans work for well. People with a moderate source of income are most likely to qualify for loans because of the criteria which requires applicants to be able to repay the loan. This criteria means that HELP is particularly well suited to those people at or near the poverty line, rather than those experiencing the greatest poverty. Single mothers and families were mentioned as being well suited to HELP's services. People receiving ODSP benefits were noted as having enough flexibility in their monthly income to qualify for loans.

There was also a discussion of groups who HELP is not able to help currently. One of the largest groups is people with Ontario Works as their source of income. Because OW benefits are so low, people do not have enough money to repay loans. For the most part, these applicants' situations are chronic, rather than temporary, as their income is fixed at a level well below the poverty line. There have also been difficulties in dealing with the Ontario Works office – consistency around clients accessing the Community Start-Up Benefit has been particularly troublesome. Another group that often does not qualify for HELP's services, but is in need, is people who experiencing homelessness. Similar to OW clients, people experiencing homelessness do not have enough income to satisfy the requirements of the HELP program. There was considerable frustration among focus group members about the inability of HELP to be accessed by those most in need. Another group of people not currently seen by loan panels is those people who are ill or have a chronic illness, and who may have make choices about paying for treatments and care or adequate housing. Immigrants and refugees were also identified as not been represented in applicants. It was thought that this problem most likely related to outreach strategies, and there was agreement that Settlement and Integration Services Organization should be invited to be a member of the Steering Committee to provide guidance with respect to strategies for outreach.

Loan Review Process: Participants also had several suggestions for improvements to the loan panel process. One suggestion was that there be a rotating chairperson for each panel. This person would be responsible to present the highlights of the case to the other two members of the panel. The suggestion came out of a discussion of the procedural challenges experienced by the panels: a need for more efficiency on the panels and a better system of

examining the case files, while maintaining the involvement of all panel members. There was an agreement by participants that the panels should incorporate a rotating chair position.

Participants also talked about the dilemma they experienced regarding information and input from staff. On the one hand, panel members wanted more contact with clients as well as valued the judgements by staff in difficult cases. On the other hand, they wanted the process to remain as objective as possible, and have the staff person be viewed by clients as separate from the decision making process. Focus group members also agreed it would be useful to get feedback in cases where appeals were made as well as outcomes of particular cases they had approved. Other issues that were mentioned were a need for additional volunteers to sit on the panels, as well as on-going training sessions for panel members.

Suggestions for Improvements: When asked how HELP could reduce barriers to accessing its services, participants identified a number of strategies for outreach:

- geography - opening a second office or having staff available at another site
- staff time - given sufficient resources the staff person could be more involved with community groups and organizations
- community services - establish stronger ties with community organizations e.g. foodbanks
- develop publicity tools - an easy to access brochure
- identify specific vulnerable groups and accompanying strategies for outreach e.g. seniors

In addition to these suggestions, participants seemed to agree there should be an ongoing analysis of groups who were not accessing HELP's services and strategies developed to reach these groups.

There were also suggestions about how HELP's services could be improved in general. Ideas included more advertising, a larger office space, comparing HELP's experience with other rent banks, a comprehensive volunteer strategy, and a re-evaluation of the eligibility criteria. Participants also talked about the need to encourage and develop new leadership within HELP in order to sustain its growth.

Summary of Key Themes:

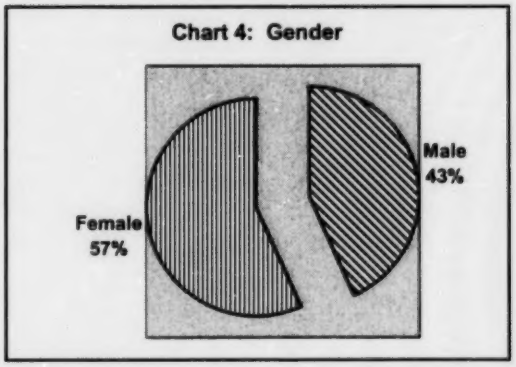
- HELP is extremely useful for those people who qualify for its services; however, there are a large number of people in great need who do not qualify.
- The eligibility criteria requiring applicants to have income sufficient to pay back the loan creates difficulty offering assistance to those most in need - those in chronic poverty (e.g. on Ontario Works) and those experiencing homelessness with no stable source of income.
- The loan review panel process could be improved by having a chairperson who is responsible for presenting the cases to the other members of the panel.
- There is a dilemma regarding the type of client information the panel has. Panel members would like to make an "objective" decision; however, they recognize the

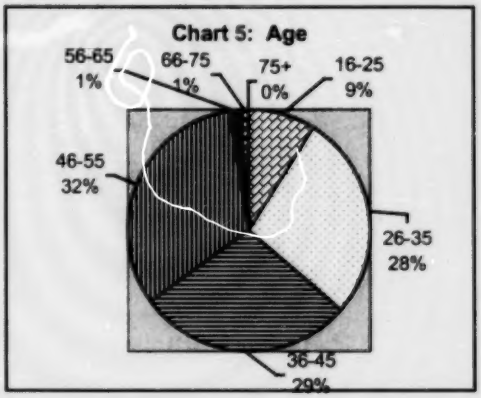
value of "subjective measures" such as staff judgement and personal contact with the applicant.

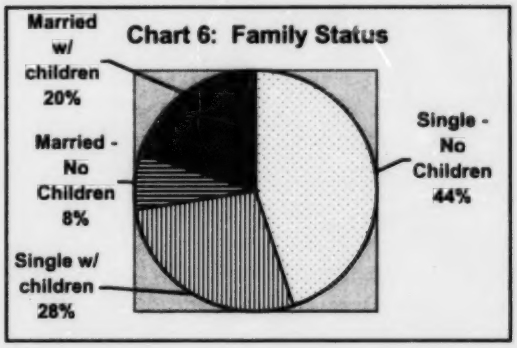
- HELP should continue to engage in an on-going analysis of groups who are not accessing HELP's services and develop strategies to reach these groups.
- Other ideas for improving HELP's services included: more advertising, a larger office space, comparing HELP's experience with other rent banks, a comprehensive volunteer strategy, and a re-evaluation of the eligibility criteria.

4.3 Data Analysis

Charts 4,5, and 6 present demographic characteristics of 74 successful loan applicants for the period Dec 2000 - Aug 2001.







People who were granted loans were more likely to be female, between the ages of 26 and 55, and members of families (either single or two-parent). The ages represented in chart 4 show a disproportionally small number of clients over 55 (2%). It is interesting to note that some rent banks (Toronto, Ottawa) offer services exclusively to families with children, and this group represents only 48% of HELP clients.

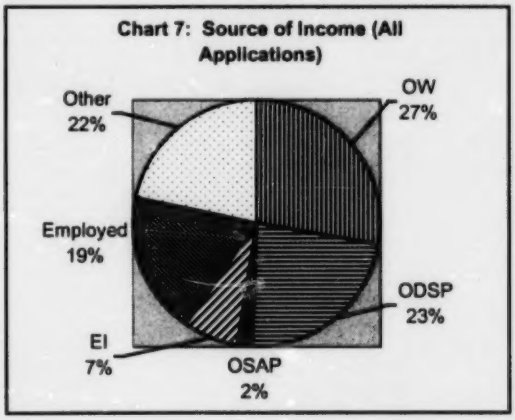
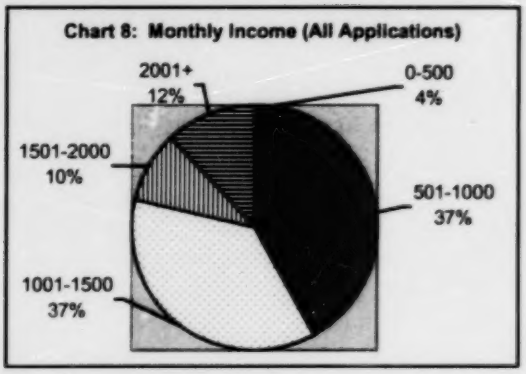
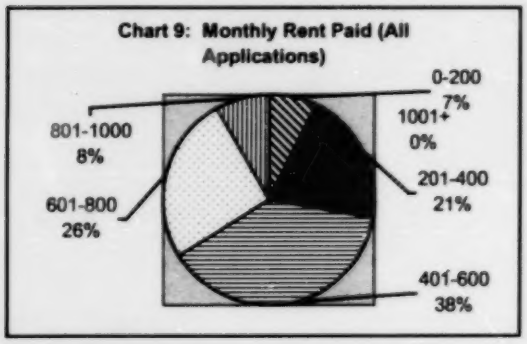


Chart 7 demonstrates the source of income of all applicants to HELP (n=97). One half come from people on Ontario Works and ODSP, populations who have difficulty meeting the criteria because their income in chronically inadequate, rather than temporarily. Note: this data is for all applications, and does not reflect the source of income for people who were granted loans.



The majority of applicants had monthly incomes between $500 and $1500. This translates to annual incomes of between $6,000 and $18,000. The average annual income was $14,734. Statistics Canada's Low-Income Cut-Off (the most commonly used indicator for a poverty line) for 2 people in Hamilton is $18,367 (SPRC, 1999). Note: this data is for applicants only, and does not represent people who received loans.



Sixty-five percent of applicants paid less than $600 in monthly rent. The average rent for a one-bedroom apartment in Hamilton in October 2000 was $525, while the average rent for a two-bedroom apartment was $695 (Housing Help Centre, 2000). This means that many of the applicants are paying below average rents. Note: this data is for applicants only, and does not represent people who received loans.

As Chart 10 illustrates, 65% of applicants rent to income ratio falls between 30 and 70%. Households that spend more than 50% of their income on rent are considered at risk of homelessness. People spending more than 70% of their income on rent are considered at extreme risk of homelessness (SPRC, 2000). Again, this chart includes data for all applicants, and not successful loans.

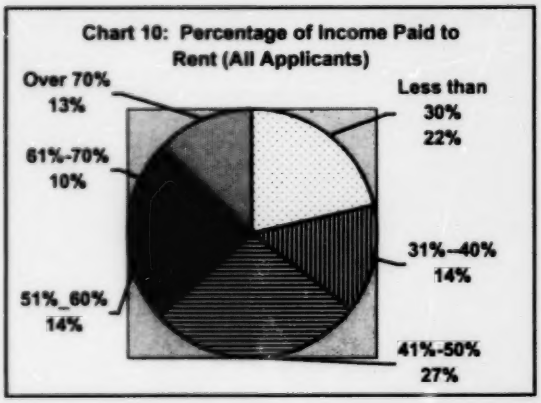


Table 2: Repayment Information

# of active loans (Dec 2000 - August 2001)	69
# of loans paid off fully (Dec 2000 - August 2001)	10
% of recipients making payments (regular or irregular, Dec 2000 - August 2001).	76.8% (through August 2001)
Total amount of loans (Nov 1999 - Feb 2001)	$52,302
Total amount of loan payments (Nov 1999 - Feb 2001)	$ 7,641
% of total loans repaid (Nov 1999 - Feb 2001)	15%

This table contains repayment information for the HELP. The percentage of total loans repaid falls into the rates reported by other Ontario Rent Banks of between 5%-20%. Please note the different time frames for the data sets.

5.0 DISCUSSION & RECOMMENDATIONS

This concluding section of the report will discuss the results of the literature review, individual interviews, focus groups, and data analysis and then provide recommendations. This discussion is grouped into nine categories:

1) the eligibility criteria
2) the loan review process
3) staffing
4) governance
5) source of funding
6) outreach and reducing barriers
7) repayment of loans
8) additional services
9) evaluation.

5.1 The Eligibility Criteria

Of the five eligibility requirements (see section 3.3 of this report), two will be discussed here.

The first requires applicants to demonstrate that the crisis is temporary, not chronic. This criterion becomes problematic for HELP when such a high proportion of its applicants (50%) are on Ontario Works or ODSP (see Chart 7). These applicants are nearly always in chronic, deep poverty, with inadequate allowances for shelter (SPRC, 2001). Applicants who rely on social assistance, and to a lesser level on ODSP, are rarely eligible. Several other rent banks in Ontario have been able to successfully expand available programs or expand working relationships with OW to increase available resources. In Toronto, this has meant a Shelter Fund, in Brantford, an expanded use of the discretionary Community Start Up Benefit (CSUB) by OW front-line staff.

While applicants on OW and ODSP are clearly identified in the data, it is likely that there are applicants who are employed but receiving low wages and/or engaged in part-time work that will also have difficulty meeting this criteria. HELP should gather more information about this group of applicants in order to identify possible alternatives to meet their needs.

Recommendation #1: Recognizing that a large group of ineligible applicants are on Ontario Works or Ontario Disability Support Programme, HELP should form a working relationship with OW/ODSP's senior officials, to identify and develop more appropriate responses to the shelter needs of people on OW or ODSP.

Applicants in chronic poverty are also ineligible for HELP because they are least likely to repay the loan. There is, however, a sincere desire on the part of the Steering Committee and Loan Review Panels to assist those who are most in need in our community - those in chronic poverty and those experiencing absolute homelessness. This creates a dilemma for the loan program, as those applicants who are most likely to repay the loan are those with

the most resources. Those people in our community who are most in need, or in the deepest poverty, are least likely to be able to repay loans.

Rent banks across Ontario help a specific group of people who are at-risk of homelessness. Most often, these people are dedicating between 30% and 70% of their income on housing. It is very difficult for rent banks to help people who exceed this range who are at extreme risk of homelessness or are absolutely homeless. Most rent banks have criteria that require the ability to repay the loan.

There are several options that HELP has to respond to applicants who are unlikely to repay loans:

1) Declare them ineligible: this is the present policy, but raises the dilemma discussed above about HELP's resources not reaching those most in need in our community
2) Institute a formal grant program: this has not been modeled successfully by other Rent Banks, although the City of Toronto's Shelter Fund is based on this idea. A formal grant program runs the additional risk of being considered income by Ontario Works, and clawed back from the applicant's benefits. This option could also negatively affect funders' support of the project.
3) Use an "informal grant program". This option refers to loans given to people with the knowledge there is little chance of repayment. The low repayment rates, coupled with a reluctance to involve collection agencies (with the exception of the Woodstock program), across Ontario would indicate that many rent banks do practice this. This option has the potential to be degrading to clients by loaning them money, demanding monthly repayment, all the while not expecting them to be able to pay.
4) Institute a "loan forgiveness" program. Several rent banks mention that loan forgiveness is commonplace, and yet, clients are rarely told of its existence (Durham & Toronto). HELP currently offers forgiveness of the last monthly payment if all others are made on time.
5) Find a model of "creative payment". This option could include ideas like "sweat equity" - allowing people to volunteer as payment, or increasing the flexibility of the loan repayment.

Recommendation #2: The Steering Committee should continue to discuss methods to respond to people who are unable to repay loans. As a part of those discussions, HELP should consider developing a policy around loan forgiveness and investigating other possible methods of repayment such as a "sweat equity" program.

5.2 The Loan Review Panel Process

Based on the focus groups the use of volunteers for loan review panels is currently working (with some minor suggestions for improved efficiency - a rotating chair). Recognizing that a three-person panel uses more time and resources to process less applications (than would a single staff person), the panels remain a priority for this group. This commitment exists for several reasons: they believe they are a unique model for rent banks in Ontario, they

believe that being separated from the applicant make the process more objective, and they have been able to maintain adequate volunteers.

However, the SCPI funding will allow for more loans which will require more volunteers for the review panels. (A portion of the funding has been set aside for administrative costs). Already the panels want to be "more efficient" implying they are at capacity. This increase in funding will create significant pressure on the volunteer requirements of HELP.

Recommendation #3: HELP should continue using volunteer panels to review and make decisions about loan applications. To improve efficiency, each panel should appoint a rotating chairperson to present cases. The expansion of the volunteer panels will require paid coordination and staff support (see Recommendation #4).

5.3 Staffing

The same SCPI money creating pressure on the loan panels will create more work for the staff. From the budgeted SCPI money, some has been allocated for administration. This administrative money should be used toward paid volunteer support and increased administrative support.

Recommendation #4: HELP should consider hiring a Volunteer and Administrative Coordinator to recruit, retain, and recognize volunteers in addition to providing administrative support to the program.

With increased workload and expansion of the program in general, HELP will need to clarify its employee expectations.

Recommendation #5: HELP should develop a Human Resources Manual.

5.4 Governance

The focus groups debated the question of whether HELP should remain independent and pursue incorporation or partner with an existing community organization. HELP is currently a large enough organization with enough capacity to manage their own funds. They would be able to initiate incorporation if they desired. Partnering with a community organization may decrease the administrative burden on volunteers, reduce duplication of services, and increase convenience to clients. Risks to partnering include a loss of independence and potential limits placed on the advocacy efforts of HELP. It is possible that if HELP partnered with an organization with a similar mandate, it may broaden opportunities for advocacy.

There is more information needed before HELP can make the decision of whether to remain independent or partner with an existing organization. It is timely with HELP's abundant financial resources to approach existing organizations now to ask them how a partnership

with them would look. HELP should specifically seek out information about the function of the Steering Committee and Loan Review Panels within the organization.

Other Ontario Rent Banks have partnered successfully with housing help centres and the Salvation Army.

Recommendation #6: HELP should gather additional information on how a formal partnership would work with a community organization. In particular, HELP should approach the Housing Help Centre, the Salvation Army, and other interested organizations to determine if those organizations are interested in a partnership and if so, how that partnership would affect HELP's operations.

5.5 Source of Funding

In the past HELP used a balance of funding from both community and government. Now with the large government grants that considerably outweighs the community amount, the commitment to community fundraising may fade.

Community fundraising continues to be important because:

1) it will outlast SCPI;
2) it increases community awareness; and
3) it potentially recruits volunteers;
4) it maintains independence, thus allowing for advocacy.

It is reasonable to assume that HELP will continue to require annual funding to maintain its loan fund. Focus group participants and the literature review indicate that it would be best to mix government funding with community fundraising efforts. Community fundraising has benefits that go beyond the money that is raised such as increased community awareness and potential volunteer recruitment.

Recommendation #7: HELP should pursue funding from both community and government sources.

5.6 Outreach

Reduction of barriers has been identified by HELP as a concern for their growing client base. The Loan Review focus group noted the absence of vulnerable groups such as immigrants and refugees as applicants. The Community Action Plan (SPRC, 2000) includes immigrants and refugees in a group of other vulnerable groups including Aboriginal persons, visible minorities, youth, women, persons with physical disabilities, lesbian, gay, bisexual and transgender persons, and seniors. There is no data at HELP to say how many of these groups are being served. There is also a lack of information about services to vulnerable groups from other rent banks in Ontario.

There are also geographical barriers to HELP clients. Being located in the downtown core makes access difficult for those living on the Mountain. Also the physical space of the HELP office is inaccessible for people with physical disabilities.

Ways of increasing vulnerable groups' access to HELP could be

1) HELP should target organizations that provide services to vulnerable groups, increasing awareness of HELP;
2) Having HELP represented at community committees would help to develop outreach channels as well as to promote a continuum of care in service delivery from all levels of housing needs. Some such committees are the Homelessness Steering Committee, and the Solutions for Housing Action Committee; and
3) Invite these groups to be a part of the Steering Committee of HELP.

Recommendation #8: HELP should collect data on vulnerable groups accessing their services and target agencies who serve these groups as potential referral sources.

Recommendation #9: The HELP staff person should participate in relevant community committees.

Recommendation #10: HELP should invite a representative from Settlement and Integration Services to sit on the Steering Committee to advise on outreach strategies for immigrants and refugees.

5.7 Repayment of Loans

The repayment of loans has been repeatedly identified by this research as a crucial aspect of rent banks. All rent banks in Ontario require repayment, yet report receiving only a small percentage of them. In addition, the techniques used to report rates of repayment vary from rent bank to rent bank. Repayment rates are also complex to calculate, partially due to the fact that, as loan repayments are made, they can be lent out to new applicants. For example, if a rent bank has loaned out $100,000, as they receive repayments on the loans, they can use those repayments for more loans. Therefore, an initial grant of $100,000 could generate in excess of $100,000 in loans.

Not only must rent banks be able to evaluate and report repayments accurately, they also need to predict them. Rates of repayment are necessary to accurately predict program and budget needs, as well as forecasting the number of loans that will be available. Again, this information is complex and requires substantial expertise.

Credit unions and banks are institutions with expertise in this area.

Recommendation #11: HELP should invite a representative from a credit union or bank to be a member of the Steering Committee to advise on lending and repayment.

5.8 Additional Services

The literature review demonstrated that rent banks in Ontario offer a wide range of services in addition to emergency loans for housing. Mediation, referral, credit counselling, advocacy and information were among additional services. Some members of the focus groups identified the possibility of opening a branch office. The literature review did not demonstrate significantly better results with any of the additional approaches offered (While the repayment rate of the Woodstock program is higher than most at 30%, it is difficult to know why the rate is higher. The use of collection agencies is one possibility, however, they may loan money to people with more resources). While this review is certainly not conclusive, there does not seem to be a strong incentive to implement any of these services.

Recommendation #12: Until evidence exists that additional services lead to better outcomes, HELP should not expand additional services.

5.9 Evaluation

Evaluation measures effectiveness of services and clarifies progress toward desired outcomes. While HELP has been collecting data since its inception, it has only recently tried to put it into useable and accessible form. There are still improvements that could be made to the information being collected and presented. Some suggestions are:

1) Expand data collection (e.g. vulnerable groups could self identify)
2) Follow up at 3 and 6-month intervals. There is already monthly follow - up in place to monitor repayment of loans, it would not be difficult to add a "housing status" question to this follow-up.

To maximize the use of evaluation as a tool to inform their program, HELP could consider retaining an outside agency to assist with evaluation. The Toronto Rent Bank has also retained an outside evaluator for their program.

Recommendation #13: Increased emphasis on evaluation is needed. HELP should consider consulting an outside agency to assist them in this task.

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APPENDICIES

Appendix 1

Loan Review Panel Focus Group

Purpose: To identify and describe issues, alternatives, and solutions related the HELP's provision of loans to aid the strategic planning process.

1. On a scale of 1 (not at all) to 5 (extremely), how much are we helping people?
2. Who do we help well? Are there groups we do not help as much? Who are they?
3. How satisfied are you with the loan review panel process?
4. What could HELP do to 1) reduce barriers, 2) improve loan process?
5. How could HELP improve its services generally?

Appendix 2

Focus Group Questions – Steering Committee

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1. What are some major issues facing HELP?
2. What could be done to improve HELP's services?
3. What is working well about how loan applications are processed? How could it be improved?
4. How could HELP benefit from partnering with other organizations?
5. What funding opportunities could HELP develop and pursue?

Appendix 3

HELP Individual Interview Questions & Answers

1. Could you describe your circumstances before coming to HELP?
   ⇒ eviction notice, rent arrears, cause of crisis?

2. Did you try other sources of assistance?
⇒ Could you describe your experience?

3. How did you hear about HELP?

4. Can you describe how HELP worked for you?
⇒ Initial Interview
⇒ Approval
⇒ Check to landlord
⇒ Repayment plan

5. Overall, did HELP help you?
⇒ Are you still in that housing?
⇒ Are you satisfied with that housing?

6. Are you comfortable with the repayment arrangements?
⇒ Do you believe you'll be able to repay the loan?
⇒ Is it reasonable to expect everyone to repay the loans?
⇒ Are there things about repayment that could be improved?

7. Would it be useful for HELP to offer other services?
⇒ $ for first and last months rent
⇒ credit counselling
⇒ trusteeship
⇒ referrals to other agencies

8. Overall, how satisfied were you with the Rent Bank operations?
⇒ Is there any way they could have provided a better service?
⇒ Hours of operation?
⇒ Different intake procedure....

9. Did you perceive HELP to be a) a community organization b) a community project or c) a government service?

10. Did you have trouble getting to or finding the HELP office?
    Would an offer of bus tickets helped?

11. Did you tell friends and/or relatives about HELP's services?

12. Would you be interested in volunteering some time to work with HELP in some way?

Appendix 4

The Need for a Housing Emergency Loan Program in the New City of Hamilton

Interim Report
By Craig Foye
Homelessness Project Coordinator

June, 2001

Introduction

The Housing Emergency Loan Program (HELP) operates to provide financial assistance in the form of short term, interest-free loans to individuals and families who are experiencing financial difficulties that force them into a housing crisis.[vii] While the program is made available to all who live in the New City of Hamilton, loans will primarily be given to people living at or near the poverty line, and who have no other borrowing options. In addition, Applicants must demonstrate that their financial crisis is temporary, that the problem can be addressed through one-time financial assistance, and that they intend to stay in their home for one year. Generally, loans will only be given to people who HELP believes can repay the loan within one year.

HELP is intended as a strategy to address the growing crisis of homelessness in our community. It is directed at those individuals and families who are experiencing a temporary crisis that can be solved through a one-time loan. In this sense, HELP is not meant to directly address the growing numbers of individuals and families who are experiencing absolute homelessness (except in those instances where an individual or family experiencing absolute homelessness meets the requirements of the program) or those in our community who are experiencing chronic homelessness, unless the situation can be solved by a one-time loan which can be re-paid in one year. However, HELP is a vital strategy for the direct prevention of absolute homelessness through enabling individuals and families who are at risk of experiencing absolute homelessness to retain their housing.

With this in mind, this document intends to briefly set out the need in our community for just such a program, in conjunction with a continuum of services approach, to deal with the crisis of homelessness in our community. The document will address 2 main areas: a) The identified need for the Program as set out in the community-based literature, and b) The relevant available statistical data indicating the need for such a program in the community. The report will conclude with some brief comments on the program as it relates to the crisis of homelessness in the New City of Hamilton.

The Identified Need for HELP as set out in the Community-Based Literature

The Housing Emergency Loan Program, which was formed by a number of community partners in February of 1999, is identified in a number of community-based documents dealing with homelessness.

In "Our Homes and Our Streets: Homelessness in Hamilton-Wentworth" (SPRC: 1999) it was recommended that the former Region "assist in funding HELP which will provide emergency financial resources for tenants who are at risk of becoming homeless".[viii] That report, which contained 42 recommendations for "the long and short-term resolution of homelessness in our community"[ix], was followed by "The Community Action Plan on Homelessness in Hamilton-Wentworth".[x] Both reports were developed jointly by the Regional Advisory Committee on Food and Shelter and the Solutions For Housing Action Committee (formerly the Social Housing Access Committee), were housed and supervised by the Social Planning and Research Council, and were based on extensive community consultation.

The Action Plan, which contained 44 recommendations based on the recommendations of the prior report, recommended (as an "action") that "[a]nnual funding should be made available to the Housing Emergency Loan Program to ensure that those who qualify can access this service." [xi]

In an Addendum to the *Action Plan*, produced specifically for the federal government's Supporting Communities Partnership Initiative (SCPI) by Social and Public Health Services at the former Region of Hamilton-Wentworth, there was a gap identified in the funding of this important program, and substantial annual funding was recommended for the program in the draft budget of that document.[xii]

The relevant statistical data indicating the need for such a program in the community

HELP is intended to assist individuals and families in the community to retain their housing when faced with a temporary crisis. Thus the Program is aimed at assisting those in the community who are identified as experiencing "Relative Homelessness"[xiii] in the community Action Plan, as that sector of the community represents those individuals and families who are most at severe risk of experiencing absolute homelessness. As mentioned, the Program will also assist those experiencing absolute homelessness if the applicant meets the requirements of the Program.

The At-Risk Population

A useful metaphor for describing the homelessness crisis is the metaphor of the iceberg, where the sector of the community who are experiencing absolute homelessness represent only the tip of the iceberg. In proceeding with the metaphor, an iceberg is commonly described as being nine-tenths unseen. While the information in this report indicates that there exists a much higher percentage of those experiencing hidden or relative homelessness, relative to those experiencing absolute homelessness in the shelters, than the nine-tenths of the metaphor (the unseen portion of the metaphorical iceberg), the metaphor is still apt in describing the process whereby more individuals and families in the community end up among the numbers of absolute homeless. As socio-economic conditions in the community change (e.g. vacancy rates, average rents, evictions, social assistance procedures, etc.) and more families become relatively homeless, a revealing pressure is exercised whereby many of those individuals and families who are at-risk experience a crisis of some sort which pushes them into the living rooms of friends or family, or even just onto the streets. Many of these individuals and families will eventually end up in an emergency shelter,. It is this process generally that HELP is in a position to reverse or prevent for some individuals and families in the community.

The need for such a program in our community is acute. With an increase of 53% in the numbers accessing Emergency Shelters from 1999 to 2000[xiv], it is obvious that the numbers of individuals and families experiencing absolute homelessness in our community is growing. In addition, local food-banks distributed over 311,700 pounds of groceries in 2000, and meal programs served over 53,872 meals/snacks in March, 2001. When one takes into account that approximately 42% of those accessing food-banks are children, this tends to show that an alarming number of families in the community are facing the dilemma of whether to "pay the rent or feed the kids".[xv]

Poverty and Affordability

Poverty rates in our community are relatively high in relation to provincial and national rates. Those rates also increased substantially from 1991 to 1996. In 1996 the former Region of Hamilton-Wentworth had a poverty rate of 21.9%, which was a substantial increase from the rate of 17.4% in 1991. This compares to a provincial rate of 17.7% and a national rate of 19.7%. Even more distressing, the old City of Hamilton had a poverty rate of 27.6% in 1996, and some census tracts in the downtown core show poverty rates of over 50%. Generally these numbers indicate a large population in the community who may need to access the Housing Emergency Loan Program.

Our Homes and Our Streets reported that 23% of all tenant households in the community are paying greater than 50% of their total income on rent, while 47% are paying more than 30% of their total income. As regards tenants in the community, this means that 23%, or 15,740 individuals or families were spending more than 50% of their income on rent in 1995, and that 47% or 30,935 individuals and families were spending greater than 30% of their income on rent. These numbers were up from 16% and 35% respectively in 1990, and compared to 22% and 44% respectively across the province in 1995.

Proportion of Income Spent on Housing
1990 and 1995
Ontario and Hamilton Wentworth CMA

All Households	>30% 1990		>30% 1995		>50% 1990		>50% 1995	
Ontario								
Tenants	432,915	33%	615,985	44%	194,920	15%	300,645	22%
Owners	403,785	18%	467,400	19%	135,310	6%	165,005	7%
Hamilton-Wentworth								
Tenants	22,025	35%	30,935	47%	10,065	16%	16,740	23%
Owners	19,160	18%	19,585	18%	5,940	6%	6,525	6%

Source: Statistics Canada, Standard Tabulations, 1991 and 1996 Census

The population of Hamilton-Wentworth grew by 4.8% from 1996 to 1998.[xvi] If the number of tenants paying more than 50% of their income on rent grew in proportion to the total population on a consistent basis, this would mean an additional 375 families at-risk annually. If these growth trends held through the year 2000, there would now be approximately 17,000 households spending more than 50% of their income on housing.[xvii]

In addition Human Resources Development Canada reports that there were 23,700 persons unemployed in the Hamilton Census Metropolitan Area in May of 2001.[xviii] Many of those persons' employment situation may very well have triggered a crisis in their housing situation.

The Affordability Squeeze for Social Assistance Recipients

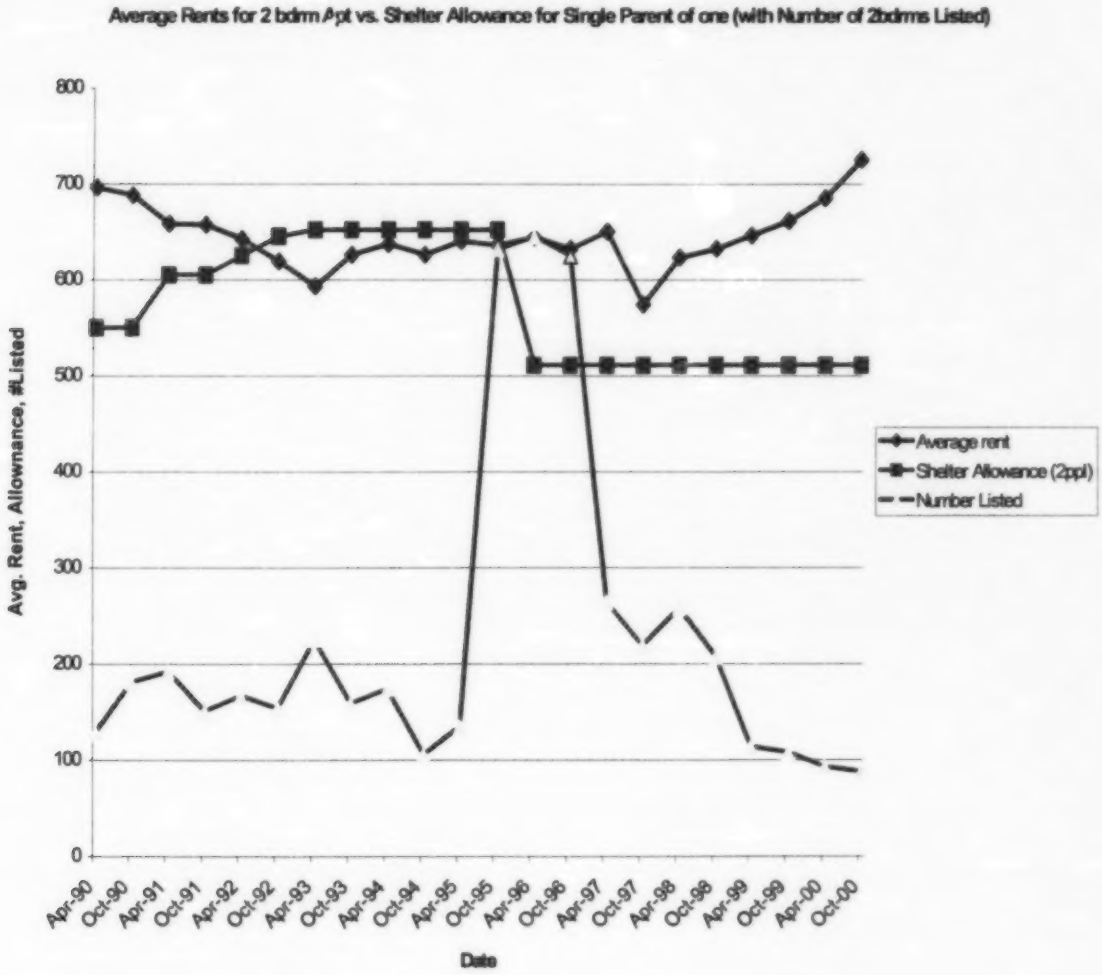
With regard to the number of these households that are currently on social assistance, there were 12,909 households on Ontario Works in March of 2001. Almost all of these households would typically spend greater than 50% of their income on rent (excluding some households of 4 or more, many of whom would be underhoused).[xix] There are also more than 11,000 clients on the Ontario Disability Support Program, most of whom will also be overspending on rent out of necessity.

It should be noted that although this population on Ontario Works is at great risk of experiencing absolute homelessness, many will not be able to access the Housing Emergency Loan Program due to that program's requirement that their crisis be temporary, that it is solvable through a one-time loan, and that they be able to repay the loan within one year. In addition, applicants who are receiving Ontario Works must apply for a Community Start-Up Benefit through that program, and have been denied for that benefit, before they can qualify for HELP. Nevertheless, this is an important target population for the Housing Emergency Loan Program.

It can be assumed that almost all recipients of Ontario Works are spending greater than 50% of their income on rent due to the woeful inadequacy of the shelter allowance portion of that program.[xx] For a single person the shelter allowance portion of Ontario Works has remained at $325 since the debilitating 21.6% cuts occurred to that program in 1995. The Canada Mortgage and Housing Corporation reports in their last Rental Market Report (November 30, 2000) that the average rent for a bachelor apartment in the Hamilton Census Metropolitan Area was $460, while the average rent for even a bachelor apartment in the Downtown Core (where most supportive services are located) was $468 (an increase of 9.3% from 1999). In addition, the average cost of a one bedroom in the Hamilton Census Metropolitan Area in 2000 was $582 in November of 2000. Even for a family of four people the shelter allowance portion has remained at $602 since 1995, while the average cost of even a two-bedroom apartment was $719 in November of 2000. For a three-bedroom which is probably more appropriate for a family of that size, the average rent was $864. Median actual vacant market rents for October of 2000 were $455 for a bachelor, $549 for a one-bedroom, $695 for a two-bedroom, and $850 for a three-bedroom.[xxi]

These numbers indicate that community-members who are accessing Ontario Works are generally spending hundreds of dollars more than the shelter allowance portion of their assistance on housing. Assuming that there are families who can afford to stay in their housing for a year and repay a one-time loan, those families who experience a temporary crisis could use the services of the Housing Emergency Loan Program to keep from becoming absolutely homeless.

The following table graph serves to illustrate the ever-widening gap between the Shelter Allowance and average rents in the community. Also included, is the number of 2 bedroom apartments listed in The Hamilton Spectator for each 6 month interval.



Source: Housing Help Centre Vacant Rental Market Study Eleven Year Summary Data 1990-2000

Vacancy Rates

As rents have gone up in the community there has been a concomitant decrease in vacancy rates which means that families who do lose their housing will be increasingly hard-pressed to locate other housing that is adequate, accessible, affordable, and permanent. The vacancy rate for the Hamilton CMA as reported by CMHC in November of 2000 was 1.7% (CMHC considers 3% to be a healthy vacancy rate); Vacancy rates for the former City of Hamilton have decreased from 4.1% in 1998 to 2.1% in 2000. Perhaps more telling, The Housing Help Centre has tracked the total number of vacant rental units listed in the Hamilton Spectator since 1990. These numbers ranged from a high of 981 units listed in April of 1993 to a low of 416 units listed in April of 2000, which seems to indicate a drastic decrease in the number of rental units available in the community over the last decade.[xxii]

The Community has recognized this crisis and the related need for affordable and rent-geared-to-income housing in one of the *Community Action Plan's* seven priority area recommendations.[xxiii]

Evictions

Tenant advisors across Ontario have recognized that the new landlord and tenant legislation, called the *Tenant Protection Act, 1997 c.24*, has meant significant changes in the process of eviction including new burdens on the tenant to participate in the process leading to more and faster evictions. The end of rent decontrol has added incentive to landlords to move out a tenant who is having difficulty paying quickly because it also gives the opportunity to raise the rent as well.

In response to these significant pressures on rents resulting in greater numbers of economic evictions, communities across Ontario, in the last year have started Early Intervention projects to aid tenants with the process with limited success. The local Early Intervention project has been in operation since August 2000 and reports that in Hamilton between 60 and 80 applications to evict are made per week and that over 90% of those applications are for non-payment of rent. It is indicative of the economic crisis and the difficulty for tenants on low-income to deal with the formal process that an average of 72 per cent of these applications are not being disputed and a staggering number of households are being forced into the increasingly harsh rental housing market in our community through eviction. They end up in a lower standard of housing and join the list of people in greater danger of absolute homelessness or in fact experience absolute homelessness, at least in the short term.

Timing of eviction applications are now such that a tenant may only have two to three weeks to deal with a short-term crisis and an eviction order can be gained and executed for lack of payment of even part of one-month's rent. A program like HELP has already proven it can respond to support a tenant to maintain their housing even with these difficult timelines. This is a key role in limiting the slide into absolute homelessness.

The Cost of Living

While this at-risk population has faced dramatic increases in rent, they are also effected by the cost of living generally (as are those who are experiencing absolute homelessness). The Consumer Price Index has increased by 9% since 1995. The rate of increase to the cost of living tends to be higher in major urban centres in Ontario when compared to the Canadian Average. Across Canada, shelter costs have shown the highest rate of annual increase of any category reported by Statistics Canada in tracking the consumer price index. Low-income families are particularly sensitive to this change, as shelter costs tend to be the single largest expense in any household budget. In addition, tenants will also feel financial pressures as a result of increasing utility costs.

Population Actively Seeking Housing

For an indication of the numbers of individuals and families in the community who are actively seeking housing, thus exerting upward pressure on average rents, Housing Help Centre statistics indicate that they had a record high 19,994 contacts in 1999. In addition, the Coordinated Housing Access Network waiting list for rent-geared-to-income housing currently sits at approximately 3500 applicants, including approximately 100 disabled applicants who are seeking accessible housing.[xxiv] Of course these statistics will under-report the number of individuals and families in the community who are actively seeking rental housing since not all those people will access these services.

Interim Conclusions

All of these statistics point to relatively large and increasing number of individuals and families in our community who are at risk of losing their housing, or have already lost their housing. The Housing Emergency Loan Program is an important strategy for assisting some of these community members to retain their housing or to obtain housing, and is an important link in the continuum of supports model for dealing with the crisis of homelessness in our Community.[xxv] HELP's role in that continuum is the offering of short-term financial support to those low-income people who can take advantage of a loan to solve their difficulties.

But HELP also provides a critical link of information and referral for tenants where a loan may not be appropriate, but some other form of help (e.g. legal advice, credit counselling, special benefits, etc.) will be of assistance in preventing absolute homelessness. It is an instrumental program in a collection of essential services to deal with housing problems before they become unmanageable. In short, HELP is one instrumental program for preventing absolute homelessness.

These statistics also point to a housing situation in our community in which it is becoming increasingly difficult for those at-risk individuals and families who experience a temporary crisis to retain their housing. The Shelter Allowance portion of Social Assistance is woefully inadequate, while the Early Intervention Project reports a staggering amount of Applications to Evict every week in the community. With a housing situation in the community that is increasingly inaccessible to low-income people (who are over-represented in our community), there is an acute need for strategies that will help at-risk individuals and families to avoid losing their housing, and also to assist some others in the community to obtain safe, secure, affordable, adequate, and permanent housing.

ENDNOTES

[i] There are also rent banks in Muskoka and Orangeville, although data from these programs is not included in this review.

[ii] The first documented rent bank was the Connecticut Eviction Rent Bank Program in 1989 (cited in Laplante et al, 1999).

[iii] In Toronto, the Rent Bank and many shelters are funded by the City so the costs and benefits are carried by one organization. This is not the case in Hamilton, as the Rent Bank is operated independently of the City of Hamilton.

[iv] Personal communication, Rich Janssen, Centre for Research and Education in Human Services, 25 July 2001.

[v] This section will briefly summarize the analysis of the CREHS study. Readers are encouraged to look at the relevant sections of the report, which is available through the Social Planning and Research Council.

[vi] Personal communication, Michelle Miranda, Family Credit Counselling, July 2001.

[vii] See The Housing Emergency Loan Program "Mission Statement".

[viii] Sarah Todd and Suzanne Brown, Our Homes and Our Streets: Homelessness in Hamilton-Wentworth (Hamilton/SPRC, 1999), at p. 9

[ix] Ibid, at p. 6

[x] Suzanne Brown, Craig Foye, Vernon Nawagesic and Tim Welch, The Community Action Plan on Homelessness in Hamilton-Wentworth (Hamilton/SPRC, 2000)

[xi] Ibid, at p. 52

[xii] An Addendum to *The Community Action Plan on Homelessness in Hamilton-Wentworth* (Hamilton/Region of Hamilton-Wentworth, Social and Public Health Services Division, 2000) at pp. 6 and 11. This addendum to the Action Plan was submitted Human Resources Development Canada in support of Hamilton-Wentworth's application for funding under the Supporting Commuities Partnership Initiative. In the draft budget contained therein, HELP was earmarked to receive $280,000 of Hamilton's 12.9 million allocation over the three years of the Plan.

[xiii] "Relative Homelessness" is defined in the Action Plan as occurring when an individual or family "does not have housing that is safe, secure, adequate, accessible, and permanent, or is currently living in housing that costs more than 50% of total income."
Op.cit. at note 4, p. 5.

[xiv] Op.cit. at note 4, see "Executive Summary". The 35% reported in that report is a misprint (verified through co-author, Suzanne Brown)

[xv] see Hamilton Food Share, Hunger Count 2001 (Hamilton/FoodShare, 2001)

[xvi] The population of Hamilton-Wentworth as reported in the 1996 census was 467,799. The population of Hamilton-Wentworth for 1998 is estimated to be 490,201. See Social and Public Health Services, 2001.????

[xvii] From correspondence from by Don Jaffray of the SPRC to Domenic Verticchio of the Community Advisory Board for the Supporting Communities Partnership Initiative.

[xviii] See http://www.on.hrdc-drhc.gc.ca/hamilton/english/lmi/lfpro/lforce/ham_lfac.html

"Unemployed" refers to Person who: a) were without work, had actively looked for work in the past 4 weeks and were available for work; b) had not actively looked for work in the past 4 weeks but had been on layoff and were available for work with the intent of returning to their existing job; or c) had not actively looked for work in the past 4 weeks but had a new job to start in 4 weeks or less from the reference week, and were available for work.

[xix] From Rosemary Foulds, Shelter and Housing Branch, Social and Public Health Services, City of Hamilton.

[xx] Also see Priority Area Recommendation number 29 in the Community Action Plan which states:

> *Poverty remains one of the single most important factors leading to homelessness. Current social assistance levels result in people being extremely vulnerable to losing their housing or being unable to secure adequate housing. We recommend a reinstatement of the 21.6 % that was cut from social assistance rates in 1995. Additionally, that percentage should also reflect inflation rates since 1995. Thus social assistance rates should be reinstated by 27.5%*
>
> *We also recommend the creation of a formula which would base the shelter portion of social assistance rates on the average rent of a vacant rental market unit (appropriate to family size) in the Region.*
>
> *Further, although ODSP recipients did not experience the 21.6% cutback in assistance, they have not received increases since 1995 and so should receive a 5.9% increase for inflation as well as a re-instatement of the many discretionary benefits that have been removed from ODSP.*

Op. Cit. Note 4 at p. 46.

[xxi] Housing Help Centre of Hamilton-Wentworth, Vacant Rental Market Study Eleven Year Summary Data 1990-2000 (Hamilton/Housing Help Centre, 2000)

[xxii] Ibid.

[xxiii] Op.cit. note 4 at p. 34-6. That Recommendation reads:

> *Affordable, adequate and safe housing is a key component to solving the homelessness crisis; including the preservation and development of both existing social housing stock and safe, secure, affordable, adequate, accessible, permanent rental housing stock.*
>
> *We recommend that SHAC work to ensure that the 700 scattered public housing units are not sold-off and that the provincial and federal governments renew their commitment to developing non-profit housing for low-income people. We also recommend that successful creative models of housing, as well as innovative ways to utilize existing non-profit housing stock, be explored for our community.*
>
> *We also strongly recommend that the Provincial and Federal governments renew their commitment to developing non-profit housing for people who are homeless, families with low incomes, Aboriginal persons, youth, seniors, women, and singles in need of permanent affordable housing.*

[xxiv] From conversations with Mary Sinclair of the Freedom House Committee and Gay Walton of United Disabled Consumers.

[xxv] The Action Plan employs a continuum of supports model for moving individuals and families from homelessness to safe, secure, affordable, adequate, accessible, and permanent housing, and for preventing homelessness.
Op. Cit. Note 4 at pp. 18-9